

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 16, 1995

SUBJECT: **SB 972 - HB 791**

This bill, if enacted, will allow any subscriber in a health maintenance organization, managed care organization or other health care plan to have their choice of providers. The bill prohibits the health plan from requiring or coercing a member to select a provider in their plan other than the one selected by that plan member from among any eligible provider. An HMO/MCO must permit any provider to participate in the plan if that provider agrees to accept the average reimbursement rates negotiated by the HMO/MCO.

The fiscal impact from enactment of this bill is estimated to be an increase in expenditures to the TennCare Program. The provisions of this bill will cause an increase in capitation rates since it affects existing procedures used to control cost. The amount of such increase cannot be reasonably determined but can be estimated to exceed \$100,000 in the long run.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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